

Document No. 8

 No Change in Class. Declassified

Class. Changed to: TS S C

Next Review Date:

Auth.: HR 70

Date: 12 FEB 80

By: 02/25/

WASHINGTON POST

13 February 1962

## CAB Unit Will Oppose Application For D.C.-Baltimore 'Copter Service

By Albon B. Hailey

Staff Reporter

Scheduled helicopter service for the Washington-Baltimore area is not needed now and will not be economically feasible for at least a year after Dulles International Airport opens next October, Civil Aeronautics Board staff advisers said yesterday.

The Board's Bureau of Economic Regulation said it would oppose applications of eight companies now seeking routes primarily serving Dulles, National and Baltimore's Friendship International Airports.

A bureau spokesman said it had been estimated that a Federal subsidy of up to \$2 million would be required for the proposed service in its first 12 months of operation.

In lieu of regularly scheduled helicopter service, the Bureau recommended the use of the "new generation twin-turbine" helicopters by air-taxi service operators.

The stand of the CAB's economic advisers was disclosed yesterday in a letter sent to Hearing Examiner Ralph L. Wiser by Ulrich V. Hoffman, Bureau of Economic Regulation counsel.

From a passenger stand-

point, Hoffman said, the Bureau had found there was "only a limited need" for the proposed service.

He said it was "not required to further the development of helicopter equipment or helicopter operations as a mode of transportation in the national transportation system at the indicated subsidy cost."

"Finally, we find that there exists no need for the proposed services on the basis of postal, national defense or civil defense requirements," Hoffman's letter said.

Hoffman told a reporter that the Bureau had estimated that a scheduled helicopter service for the Washington-Baltimore area would carry approximately 162,000 passengers in its first year of operation.

He said this was based on a study of CAB's experience with New York Airways, Chicago Helicopter Airways and Los Angeles Airways, which have drawn \$31 million in Federal subsidies over the last eight years. The three 'copter lines are expected to split up about \$6.9 million in fiscal 1962.

The cost per passenger seat mile in helicopter service now

ranges from about 26 to 49 cents, Hoffman explained. CAB economists have estimated this cost may be cut in half as the new crop of turbine-powered "copter-liners" capable of carrying from 25 to 30 passengers come into full use.

Hearings on the Washington-Baltimore helicopter service case, which began on Oct. 31, concluded on Jan. 5 after 6000 pages of testimony and a three-foot stack of exhibits were put into the record.

Wiser, who will submit his recommendation to the full five-man Civil Aeronautics Board after reviewing the record, has set March 7 as the deadline for filing of briefs by the applicants and interested parties.

Applicants for the helicopter routes between the three airports and points within a 10-mile radius of the zero milestones in Washington and Baltimore are:

Allegheny Airlines, Chesapeake & Potomac Airways, D. C. Transit System, D. C. Helicopter Airways, New York Airways, Piedmont Aviation, Pilgrim Helicopter Services and the Washington-Baltimore Helicopter Airways.